

Message Text

UNCLASSIFIED

PAGE 01 LONDON 16283 01 OF 02 122046Z

70

ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01

FEA-01 SWF-01 H-02 L-02 PA-02 PRS-01 USIA-15 PM-03

DODE-00 /116 W

----- 044028

P R 122034Z DEC 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 6538

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 01 OF 02 LONDON 16283

DEPARTMENT PASS TREASURY AND FRB PRIORITY

E.O. 11652: N/A

TAGS: EFIN, U,

SUBJECT: U.K. TRADE AND CURRENT ACCOUNT IN NOVEMBER

SUMMARY: THE U.K. CURRENT ACCOUNT DEFICIT WIDENED BY
NEARLY 33 PERCENT IN NOVEMBER AS COMPARED TO OCTOBER.
THE CURRENT DEFICIT INCREASED FROM THE OCTOBER LEVEL OF
305 MILLION POUNDS TO 404 MILLION POUNDS IN NOVEMBER.
THE VISIBLE TRADE DEFICIT WAS 534 MILLION POUNDS (S.A.),
OF WHICH 307 MILLION POUNDS WAS DUE TO TRADE IN PETROLEUM
AND PETROLEUM PRODUCTS AND 227 MILLION POUNDS IN NON-
OIL TRADE. PROVISIONAL ESTIMATES SHOW EXPORTS OF 1,297
MILLION POUNDS (S.A., FOB) AND IMPORTS OF 1,831 MILLION
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 16283 01 OF 02 122046Z

POUNDS (S.A., FOB). THE BALANCE ON SERVICES AND OTHER

CURRENT TRANSACTIONS (INVISIBLE TRADE) IS ESTIMATED TO HAVE BEEN RUNNING AT A MONTHLY SURPLUS OF 130 MILLION POUNDS. END SUMMARY.

1. IN NOVEMBER, THE U.K.'S VISIBLE TRADE AND CURRENT ACCOUNT DEFICIT WIDENED SIGNIFICANTLY. THE TRADE DEFICIT WIDENED BY NEARLY 23 PERCENT WITH THE CURRENT ACCOUNT DEFICIT INCREASING BY ABOUT 33 PERCENT OVER THE OCTOBER LEVELS, DUE ENTIRELY TO THE WIDENING OF THE TRADE DEFICIT. THE VISIBLE TRADE DEFICIT IN NOVEMBER WAS RECORDED AT 534 MILLION POUNDS (S.A., FOB, B/P BASIS), OF WHICH 307 MILLION POUNDS WAS ACCOUNTED FOR BY A TRADE DEFICIT IN PETROLEUM AND PETROLEUM RELATED PRODUCTS (AN IMPROVEMENT OF ABOUT 7 PERCENT OVER OCTOBER) AND A DEFICIT ON NON-OIL TRADE OF 227 MILLION POUNDS (A DETERIORATION OF 116 PERCENT OVER THE OCTOBER LEVEL; 328 PERCENT SINCE AUGUST). THE DETERIORATION IN THE TRADE BALANCE OF 99 MILLION POUNDS REFLECTS AN IMPROVEMENT IN THE OIL-TRADE DEFICIT OF 23 MILLION POUNDS WHILE THE NON-OIL DEFICIT WIDENED BY AN ADDITIONAL 122 MILLION POUNDS. IN THE THREE MONTHS ENDING OCTOBER (THE LATEST PERIOD FOR WHICH DATA ARE AVAILABLE), THE TERMS OF TRADE IMPROVED BY 3 PERCENT COMPARED TO THE THREE MONTHS MAY TO JULY, AS A RESULT OF A 5 PERCENT RISE IN THE EXPORT UNIT VALUE INDEX WHILE THE IMPORT UNIT VALUE INDEX ROSE BY ONLY 2 PERCENT.

2. THE VALUE OF U.K. EXPORTS IN NOVEMBER WAS 1,297 MILLION POUNDS (SA, FOB, B/P BASIS) COMPARED TO 1,346 MILLION POUNDS (REVISED) IN OCTOBER. EXPORTS OF MANUFACTURED GOODS INCREASED BY 5 PERCENT DURING THE THREE MONTHS SEPTEMBER THROUGH NOVEMBER WHILE SHIPMENTS OF NON-MANUFACTURES FELL BY 12 PERCENT.

3. THE VALUE OF U.K. IMPORTS IN NOVEMBER WAS 1,831 MILLION POUNDS (S.A., FOB, B/P BASIS) COMPARED TO 1,781 MILLION POUNDS (REVISED) IN OCTOBER. ACCORDING TO H.M. TREASURY, THIS FIGURE INCLUDES THE VALUE OF THREE LARGE AIRCRAFT DELIVERED TO BRITISH AIRWAYS AND HIGHER THAN USUAL

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 16283 01 OF 02 122046Z

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 16283 02 OF 02 122045Z

70

ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01

FEA-01 SWF-01 H-02 L-02 PA-02 PRS-01 USIA-15 PM-03

DODE-00 /116 W

----- 044059

P R 122034Z DEC 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 6539

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 02 OF 02 LONDON 16283

IMPORTS OF SHIPS. IN THE THREE MONTHS SEPTEMBER THROUGH NOVEMBER, THE VALUE OF OIL IMPORTS FELL BY 3 PERCENT (MAINLY DUE TO A LOWER VOLUME OF IMPORTS) WHILE THE IMPORTS OF OTHER GOODS ROSE BY 2 PERCENT.

4. THE BALANCE ON SERVICES AND OTHER CURRENT TRANSACTIONS IS ESTIMATED TO HAVE BEEN IN SURPLUS BY ABOUT 130 MILLION POUNDS. THUS THE VISIBLE TRADE DEFICIT OF 534 MILLION POUNDS COMBINED WITH THE INVISIBLES SURPLUS OF 130 MILLION POUNDS YIELD A CURRENT ACCOUNT DEFICIT OF 404 MILLION POUNDS (SA) COMPARED TO THE OCTOBER DEFICIT OF 305 MILLION POUNDS (REVISED). THERE HAS BEEN AN UPWARD REVISION IN INVISIBLE EARNINGS OF 20 TO 25 MILLION POUNDS PER MONTH

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 16283 02 OF 02 122045Z

IN SECOND AND THIRD QUARTER FIGURES, AND FOR OCTOBER.

5. THE CUMULATIVE TOTALS FOR THE FIRST ELEVEN MONTHS OF
1974 IN THE VISIBLE ACCOUNT COMPARED TO 1973 ARE:

	EXPORTS	IMPORTS	BALANCE
1973	10,458	12,438	-1,980
1974	14,137	18,906	-4,769

NOTE: ALL FIGURES ARE FOB, S.A., B/P BASIS, IN MILLIONS
OF POUNDS. THE FIGURES INCLUDE PROVISIONAL DATA FOR NOV-
EMBER 1974 PLUS REVISIONS FOR EARLIER DATA INCLUDING AN
UPWARD ADJUSTMENT OF MONTHLY EXPORT DATA (DUE TO DOCUMEN-
TATION AND RECORDING ERROR) AMOUNTING TO APPROXIMATELY 81
MILLION POUNDS FOR THE CUMULATIVE 12 MONTHS ENDING
NOVEMBER 1974.

SPIERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, BALANCE OF PAYMENTS, ECONOMIC TRENDS, FOREIGN TRADE
Control Number: n/a
Copy: SINGLE
Draft Date: 12 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON16283
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740361-0627
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741240/aaaabikb.tel
Line Count: 185
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 30 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 SEP 2002 by ReddocGW>; APPROVED <29 JAN 2003 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.K. TRADE AND CURRENT ACCOUNT IN NOVEMBER SUMMARY: THE U.K. CURRENT ACCOUNT DEFICIT WIDENED BY
TAGS: EFIN, UK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005